

ITG News



Keeping First Nations Informed



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Message from the Director

All of us share a common concern for the current world economy, whether as individuals or government officials. The rising unemployment rates, declining stock markets, job layoffs, tight credit markets, and business failures, are issues that are affecting every government in the world, and certainly tribal governments are not immune from these problems.

Tribes face an immediate impact from a number of sources, including decreased business for tribal enterprises, decreased capital to expand existing enterprises or start new ones, decreased availability of grants, and a lack of additional federal resources needed for basic tribal programs or infrastructure.

In order to mitigate the impact of the current economic decline, all levels of government must work together, and ITG is committed to working with tribes to minimize any federal tax problems during this period. Our approach will be based on data, and we will use it to quickly determine trends and problems before they might become significant.

We will be renewing and expanding our outreach efforts. This will include regional seminars to assist tribal employees in staying current on tribal employment tax issues. We will also seek to identify tribes that have incurred significant penalties for failure-to-deposit withholding taxes and social security for their employees. While this has been a historic problem for some tribes, the current economic situation will likely create additional pressures in this area. Our objective is to proactively identify problems, assist tribes in determining remedies, and reduce unnecessary interest and penalty assessments that redirect tribal revenue from program areas.

I welcome your ideas on other tax-related steps we might take to assist tribes through this challenging economic period. As always, I can be contacted at christie.jacobs@irs.gov or by telephone at 202-283-9800.

Christie Jacobs



..we want to proactively identify problems, and help tribes determine remedies...

IN THIS ISSUE

Message from the Director	1
Customer Satisfaction Survey Results Published	2/3
Successful Training	4/5
2008 Perm Fund Div and 2008 Tax Rates	6/7
When Do Penalties and Interest Apply?	8
Misc. Individual Issues	9
ITG Releases Revised Gaming Publication	10
Pull-tabs Filing Requirements and Workshop	10/ 11
April 2009 Training	12
Tax Calendar for the 1st Quarter 2009	13/ 14
Year-end Reconciliation	15
ITG Specialists for Alaska	16



Customer Satisfaction Survey Results Published

The Office of Indian Tribal Governments recently completed its sixth annual customer survey. The survey gave us feedback from our customers that allows us to measure customer satisfaction with our products and services to determine areas where we need to effect operational changes.

We want to thank everyone who participated. We received 197 responses, which was the highest total of any survey. We are pleased that the overall level of satisfaction has remained steady, although it decreased slightly from 77% to 76%. There were a number of issues surfaced where we are undertaking actions to address concerns raised in the survey. This includes, but is not limited to:

- Utilize the regional Consultation Listening meetings (four per year are scheduled in differing BIA regions) to explore concerns about horizontal equity
- Continue to implement innovative alternative approaches for delivering products/services to tribes located in Alaska and the Navajo Chapters
- Seek opportunities to do annual outreach/education seminars on Employment Tax issues on a regional basis
- Further studying the causes of dissatisfaction in the Pacific Northwest
- Monitoring work processes to improve responsiveness to tribal inquiries by ITG staff

This is the second survey where we have asked specific questions in regard to Compliance Checks and Examination interactions with ITG. Since examinations represent a significant percentage of the work done by ITG, we will focus extra efforts in regard to that specific feedback. One area where we will seek to affect remedies is in the area of "timely actions." This was an overall concern by tribes and the most significant concern in regard to examinations.

One of the outcomes of the 2007 survey was the initiation of significant outreach/education efforts for the Navajo Chapters, in conjunction with the Navajo Nation. This was a direct response to dissatisfaction in that area. ITG organized and conducted major payroll and information reporting educational seminars for tribal employees, modeled on the success of similar efforts in Alaska in 2007 which were repeated in 2008. The survey shows the positive results of these efforts. The customers in the Navajo Chapters showed a marked increase in customer satisfaction, with the rate increasing from 50% to 64%. The Alaska tribes increased from 75% to 82% and are now more satisfied than the rest of the United States. ITG will seek to apply best practices used in Alaska in a focused effort to better assist the Navajo Chapters.

In addition to the overall measures, we also looked at satisfaction by geographic area and by common themes within the survey. The table on the following page shows that analysis and compares the responses this year with the survey responses from the prior year.

Future issues of ITG News will detail operational changes that we effect in response to the survey feedback. A more complete report on the survey is posted to our web site at www.irs.gov/tribes. We look forward to input at the ongoing Consultation Listening meetings to further assist in determining improvement opportunities.



Customer Satisfaction Survey Scores - by ITG Area

	Eastern		North Central		Southwest		Western		Pacific Northwest		Alaska		Navajo Chapters	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
Burden/ Delivery of Information														
Satisfied	85%	80%	71%	83%	80%	79%	83%	84%	55%	58%	71%	68%	46%	60%
Neutral	11%	16%	16%	13%	14%	10%	10%	11%	40%	27%	19%	21%	21%	18%
Dissatis- fied	4%	4%	13%	4%	6%	10%	7%	6%	5%	15%	10%	11%	33%	21%
Collaborate														
Satisfied	72%	60%	65%	70%	79%	63%	68%	79%	39%	39%	62%	63%	45%	52%
Neutral	24%	26%	24%	27%	12%	28%	18%	12%	48%	48%	29%	24%	31%	20%
Dissatis- fied	4%	14%	11%	3%	9%	10%	14%	8%	12%	13%	8%	13%	24%	28%
Recognition														
Satisfied	84%	78%	70%	90%	72%	63%	77%	75%	50%	48%	69%	70%	51%	59%
Neutral	14%	12%	23%	5%	28%	24%	13%	20%	36%	33%	24%	19%	39%	25%
Dissatis- fied	2%	10%	7%	5%	0%	13%	9%	5%	14%	18%	7%	11%	11%	16%
Protocol/ Horizontal Equity														
Satisfied	82%	74%	90%	87%	75%	78%	83%	83%	57%	54%	72%	75%	60%	70%
Neutral	14%	24%	9%	6%	20%	19%	12%	15%	31%	38%	23%	20%	31%	22%
Dissatis- fied	5%	2%	1%	7%	5%	3%	5%	2%	12%	8%	5%	5%	9%	8%
Accuracy/ Timeliness/ Honesty														
Satisfied	69%	64%	65%	69%	60%	55%	74%	70%	47%	28%	61%	59%	45%	55%
Neutral	25%	27%	27%	28%	37%	30%	10%	22%	41%	55%	32%	31%	31%	27%
Dissatis- fied	6%	9%	8%	3%	3%	16%	16%	8%	13%	17%	8%	10%	24%	18%
Overall Satisfaction														
Satisfied	90%	77%	76%	76%	75%	83%	86%	88%	56%	44%	75%	82%	50%	64%
Neutral	10%	18%	12%	24%	25%	8%	5%	6%	33%	31%	23%	13%	36%	29%
Dissatis- fied	0%	5%	12%	0%	0%	8%	8%	6%	11%	25%	2%	4%	14%	7%
Compliance Action - Overall Satisfaction														
Satisfied	67%	52%	80%	79%	100%	75%	78%	79%	43%	58%	70%	86%	67%	84%
Neutral	17%	14%	7%	11%	0%	25%	9%	16%	33%	26%	22%	14%	0%	9%
Dissatis- fied	17%	33%	13%	11%	0%	0%	13%	5%	24%	16%	7%	0%	33%	7%
Compliance Action - Initial Meeting														
Satisfied	78%	79%	95%	83%	94%	81%	90%	95%	71%	88%	87%	100%	87%	90%
Neutral	10%	18%	3%	17%	6%	6%	1%	5%	25%	8%	12%	0%	12%	10%
Dissatis- fied	13%	4%	3%	0%	0%	13%	8%	0%	4%	4%	0%	0%	0%	0%
Compliance Action - Subsequent Interactions														
Satisfied	74%	67%	70%	88%	100%	75%	84%	94%	56%	35%	89%	100%	60%	91%
Neutral	17%	22%	13%	6%	0%	17%	4%	6%	36%	55%	11%	0%	0%	7%
Dissatis- fied	9%	11%	17%	6%	0%	8%	13%	0%	8%	10%	0%	0%	40%	2%
Compliance Action - Final Resolution														
Satisfied	68%	87%	67%	67%	78%	50%	92%	87%	43%	67%	71%	100%	50%	72%
Neutral	12%	7%	25%	27%	11%	42%	8%	10%	43%	33%	19%	0%	0%	18%
Dissatis- fied	20%	7%	8%	7%	11%	8%	0%	3%	14%	0%	10%	0%	50%	10%



Attendees at BIA Provider's Conference Employment Tax Workshop held December 2, 2008.

Successful Training at BIA Provider's Conference

On December 2nd and 5th, 2008 the office of Indian Tribal Governments (ITG) held Employment Tax Workshops during the Bureau of Indian Affairs' (BIA) Provider's Conference held at the Egan Convention Center in Anchorage.

Identical workshops were offered during two different sessions. Payroll tax matters and the proper treatment of employees were the topics for the workshops. Employment tax withholding and federal filing requirements were emphasized as well as how to meet the rules for per diem and travel reimbursement.

Sixty-four (64) individuals attended the Tuesday afternoon session while forty (40) were in attendance on Friday morning. Feedback from the participants was very favorable. ITG Specialists Mary Jo Audette and Judy Pearson presented the workshops.

A booth was also available and was manned to answer questions from our Tribal customers.

Self-Assess Your Federal Tax Compliance Risks

Tribal entities can now self-assess their federal tax compliance and work with ITG to address any problems they uncover. Entities electing to participate receive a fillable template from ITG and are provided with the name of a local ITG Specialist who will serve as their resource person during the process.

Information on the program, as well as an on-line request form, is available through the "Self Assess Tribal Tax Compliance" link on the right-hand of the ITG web site landing page at www.irs.gov/tribes, or you can make an inquiry about the program via e-mail to tege.itg.tefac@irs.gov.

Want to Avoid Penalties?

Are you incurring penalties? Do you want to eliminate penalties in the future?
ITG has a "Helpful Hints to Avoid Penalties" job aid that can assist you.
It's available by ordering our "Tax Tools for Tribes" CD-Rom via e-mail
at ITG.TaxTools@irs.gov.



Attendees at Fairbank's Employment Tax Workshop held December 15-17, 2008.

Successful Training in Fairbanks

On December 15-17, 2008, the office of Indian Tribal Governments (ITG) held an Employment Tax Workshop in Fairbanks. The event was sponsored by Tanana Chiefs Conference and was held at the Chena River Convention Center.

Twenty-two (22) individuals attended. From these twenty-two attendees, nine different tribal governments were represented. Also represented were three nonprofit organizations and the State of Alaska (Division of Community & Regional Affairs).

Feedback from the participants was very favorable. ITG Specialists Mary Jo Audette and Judy Pearson presented the workshop and covered topics that included:

- Defining Employees vs. Independent Contractors
- Computing the correct taxes for payroll
- Completing Form 941 Quarterly Employment Tax Return
- Making federal tax deposits
- Due Dates on Tax Returns
- Completing Forms W-2/W-3 and 1099/1096
- Reconciling Forms 941 and W-2 at year end
- Avoiding penalties
- Meeting rules for an Accountable Plan for Per Diem & Travel Reimbursements
- Pull tab and gaming excise tax filing requirements

The State of Alaska Department of Labor and Workforce Development provided a guest speaker (Erna Sturmman) who discussed employment issues related to State of Alaska filing requirements and how to file online. Jeremy Johnson from the State of Alaska Division of Community & Regional Affairs was also a guest speaker who explained the Rural Utility Business Advisor (RUBA) Program and its role in rural Alaska.

If you are interested in co-sponsoring a similar employment tax workshop in your region of the Alaska, please send an e-mail to Judy.M.Pearson@irs.gov or phone 907-271-6949.

Permanent Fund Dividend of \$3,269 is Taxable

Don't forget that the Alaska Permanent Fund Dividend (PFD) is taxable income on Federal income tax returns. Be sure to set aside enough to cover your tax bill or consider making an estimated tax payment when you get your PFD. For more information on how to report the Alaska PFD income on the Federal tax return contact the IRS at 1-(800)-829-1040 or visit the IRS web site at www.irs.gov and input the key words in quotes: "Around the Nation Alaska" in the top right search engine.

The Internal Revenue Service reminds Alaskans that the Alaska Permanent Fund Dividend (including the one-time addition of the \$1,200 Resource Rebate) is taxable income for both adults and children and must be reported on a Federal income tax return.

Because of the size of the Permanent Fund Dividend (PFD) this year, every child under 18 who is a dependent will be required to file a tax return and will be affected by the "kiddie tax" rules. Many older children may be affected as well. See article in the October Issue of ITG News for further information.

2008 Tax Rates

Below are the marginal tax rates for 2008. Tax rates progressively increase as income increases. The tax rates apply only to the income in each tax bracket range. Also, the tax rates apply only to taxable income. Various adjustments and deductions, including the standard deduction and personal exemptions, all lower your taxable income. Taxable income is almost always less than your total income. (Capital gains are taxed at different tax rates.)

How Marginal Tax Rates are Used. Individuals can use the tax rate schedules in a number of ways to help plan their finances. You can use these tax rates to figure out how much tax you will pay on extra income you earn. For a taxpayer in the 25% tax bracket, extra income will be taxed at that rate until the taxpayer reaches the next tax bracket. Alternatively, you can use these tax rates to figure out how much tax you will save by increasing your deductions. A taxpayer in the 28% tax bracket will save 28 cents in federal tax for every dollar spent on a tax-deductible expense, such as mortgage interest or charitable contributions.

Note: These tax rate schedules are provided for tax planning purposes. To compute your actual income tax, please see the 2008 instructions for Form 1040, 1040A, or 1040EZ as appropriate.

Single Filing Status (Tax Rate Schedule X)

- 10%** on the income between \$0 and \$8,025
- 15%** on the income between \$8,025 and \$32,550; *plus* \$802.50
- 25%** on the income between \$32,550 and \$78,850; *plus* \$4,481.25
- 28%** on the income between \$78,850 and \$164,550; *plus* \$16,056.25
- 33%** on the income between \$164,550 and \$357,700; *plus* \$40,052.25
- 35%** on the income over \$357,700; *plus* \$103,791.75

Married Filing Jointly or Qualifying Widow(er) Filing Status (Tax Rate Schedule Y-1)

- 10%** on the income between \$0 and \$16,050
- 15%** on the income between \$16,050 and \$65,100; *plus* \$1,605.00
- 25%** on the income between \$65,100 and \$131,450; *plus* \$8,962.50
- 28%** on the income between \$131,450 and \$200,300; *plus* \$25,550.00
- 33%** on the income between \$200,300 and \$357,700; *plus* \$44,828.00
- 35%** on the income over \$357,700; *plus* \$96,770.00

Married Filing Separately Filing Status (Tax Rate Schedule Y-2)

- 10%** on the income between \$0 and \$8,025
- 15%** on the income between \$8,025 and \$32,550; *plus* \$802.50
- 25%** on the income between \$32,550 and \$65,725; *plus* \$4,481.25
- 28%** on the income between \$65,725 and \$100,150; *plus* \$12,775.00
- 33%** on the income between \$100,150 and \$178,850; *plus* \$22,414.00
- 35%** on the income over \$178,850; *plus* \$48,385.00

Head of Household Filing Status (Tax Rate Schedule Z)

- 10%** on the income between \$0 and \$11,450
- 15%** on the income between \$11,450 and \$43,650; *plus* \$1,145.00
- 25%** on the income between \$43,650 and \$112,650; *plus* \$5,975.00
- 28%** on the income between \$112,650 and \$182,400; *plus* \$23,225.00
- 33%** on the income between \$182,400 and \$357,700; *plus* \$42,755.00
- 35%** on the income over \$357,700; *plus* \$100,604.00

“Kiddie tax” on your child’s 2008 Alaska Permanent Fund Dividend. Individuals can use the tax rate schedules to see what the “kiddie tax” may be on your child’s 2008 Alaska Permanent Fund Dividend. Parents should gather all of their tax information to see which tax percentage will apply to their child’s Permanent Fund Dividend. Below is a simplified example when the child’s only income is the Permanent Fund Dividend of \$3,269, and it is reported on Form 8814. **Remember, these are just estimates based on a \$3,269 PFD and filing a Form 8814 to report the child’s income.**

Parent’s Marginal Tax Rate		10%	15%	25%	28%	33%	35%
Permanent Fund Div	\$3,269						
Tax on the first \$1800							
Amount not taxed	900						
Amount taxed at child’s rate (10%)	900	90	90	90	90	90	90
Remainder	1,469						
Tax on remainder at parent’s rate							
\$1,469 x Parent’s Marginal Tax Rate		147	220	367	411	485	514
Total tax due on a child’s PFD		237	310	457	501	575	604

When Do Penalties and Interest Apply?

Penalties and interest do not apply in years in which a taxpayer is entitled to a refund. About a third of those who file returns for past years discover they have a refund coming.

Penalties and interest apply to years in which money is owed. The interest charged on late payments changes quarterly. During the last several years the interest rate has ranged from a high of 9 percent to a low of 4 percent.

Filing Late Penalty. The penalty for filing late is generally 5 percent per month, or part of a month, up to 25 percent of the amount of the tax shown due on the return. **It is very important to file a return timely even if you cannot full pay so you can avoid this penalty!!!**

Paying Late Penalty. The penalty for paying late is 0.5 percent per month, up to 25 percent of the unpaid amount due.

Waiver of Penalties. The IRS recognizes many people drop out of the system because of personal problems, including serious illness, a death in the family, or loss of financial records in a natural disaster. Depending on the situation, informing the IRS why returns have not been filed could result in a waiver of penalties.

Important Facts:

- Returns filed in a timely manner reduce the amount of penalties and interest a taxpayer may owe.
- Taxes paid in a timely manner reduce the amount of penalties and interest a taxpayer may owe.
- Interest is calculated on the unpaid balance, penalties, and interest that have been charged to the tax account.
- While making payments on a tax debt through an installment agreement, penalties and interest continue on the unpaid portion of that debt.
- The interest rate on a bank loan or cash advances on a credit card may be lower than the combination of penalties and interest imposed by the Internal Revenue Code.

Examples of how penalties affect late filed/late paid returns for an Alaskan Child's PFD:

Both filed and paid late	Tax on child's Permanent Fund Div	Late File Penalty @ 5% per month	Late Pay Penalty @ 1/2 % per month	Total Due before Interest
Filed/paid by Apr 15	241.00	0.00	0.00	241.00
Late by 1 month	241.00	12.05	1.20	254.25
Late by 3 months	241.00	36.15	3.61	280.76
Late by 5 months	241.00	60.25	6.02	307.27
Late by 9 months	241.00	60.25	10.84	312.09
Filed by April 15 th but paid late	Tax on child's Permanent Fund Div	Late File Penalty @ 5% per month	Late Pay Penalty @ 1/2 % per month	Total Due before Interest
Paid by April 15 th	241.00	0.00	0.00	241.00
Paid 1month late	241.00	0.00	1.20	242.20
Paid 3 months late	241.00	0.00	3.61	244.61
Paid 5 months late	241.00	0.00	6.02	247.02
Paid 9 months late	241.00	0.00	10.84	251.84

Volunteer Tax Preparation

Volunteer Tax preparation will be available soon. There will be a "Tax and Benefits Day" event held at the Northeast Anchorage Community Center on January 31st.

Free tax help will be provided by AARP Tax-Aide, and a variety of agencies will be there to provide information and screening for their programs.

Free Volunteer Tax Preparation is provided at locations around the state. To find the nearest volunteer site, call United Way's referral service, Alaska 2-1-1 by dialing 2-1-1 or 1-800-478-2221.

New for 2008

Several tax benefits due to expire at the end of 2007 have been extended. The Tuition & Fees adjustment, Educators Expenses adjustment, Non-Business Energy Tax Credit, and the State & Local Sales Tax Deduction (for itemizers) are all available for the 2008 tax year. If you are able to itemize expenses, the Sales Tax Deduction can be based on a standard amount from the Sales Tax Table if you live in a city or borough that assesses a local sales tax. If your locality doesn't have a sales tax, you must use actual expenses based on receipts. Even if you use the Sales Tax Table, you can add actual sales tax expenses for big-ticket items like cars, planes and boats.

Charitable Contributions (if itemizing deductions)

Charitable contributions can be tax deductible, but you must have the proper records to support your deduction. The rules on recordkeeping for charitable contributions became a little more strict beginning in January 2007.

To deduct a charitable cash donation, regardless of the amount, you must have a bank record or a written communication from the charity showing the name of the charity and the date and amount of the contribution. Acceptable bank records would include canceled checks or bank or credit union statements containing the name of the charity, the date, and the amount of the contribution.

Under the previous rules, records such as personal bank registers, diaries or notes made around the time of the donation could often be used as evidence of cash donations. Personal records like this are no longer sufficient.

Here are some additional tips to help you deduct your charitable contributions on your 2008 federal tax return.

- Charitable contributions are deductible only if you itemize deductions using Form 1040.
- Contributions must be made to a qualified organization.
- You can deduct unreimbursed out-of-pocket expenses directly related to giving services to a charitable organization, including the use of your car (the standard mileage rate is 14 cents a mile.) You must keep reliable written records of your car expenses.
- Used clothing and household items such as furniture, linens and appliances must be in good used condition.
- Vehicle donations are subject to special rules.
- To deduct charitable contributions of items valued at \$250 or more you must have a written acknowledgment from the qualified organization.
- To deduct charitable contributions of items valued at \$500 or more you must complete a Form 8283, Noncash Charitable Contributions, and attached the form to your return.

ITG Releases Revised Gaming Publication

The office of Indian Tribal Governments has updated Publication 3908, Gaming Tax Law and Bank Secrecy Act Issues for Indian Tribal Governments. The new release is available in quantity from the IRS Forms Distribution Center and contains the notation "Revised 8-2008".

The revised publication contains updated withholding information, clarifies the Federal Unemployment Tax rules for tribal entities, adds content on information reporting to vendors, explains rules relating to foreign patrons and vendors, and clarifies federal tax deposit rules.

In addition to ordering hard copies, an on-line version can be accessed and downloaded from the ITG web site at www.irs.gov/tribes.

Consider attending our
Pull Tab Workshop
in Anchorage
on February 18, 2009.



Pull-tabs Filing Requirements

Tribes selling pull-tabs should be aware that they are required to file:

- Form 730 Monthly Tax Return for Wagers
- Form 11-C Occupational Tax and Registration Return for Wagering

Form 730 is a **monthly** return that must be filed by the last day of the month following the month for which taxable wagers are reported. The wagering tax is imposed on gross wagers received and is based on the total amount received before any payout of prizes or other expense. If the wager is authorized under the law of the state in which it is accepted, the rate of tax is 0.25 percent of the amount of the wager. Thus, if the gross wagers are \$1,000, the tax is \$2.50 ($\$1,000 \times .0025$).

Example: The wagering tax applies to tribes selling pull-tabs. The tax applies to the gross sales per box. If a box of \$1 pull-tabs contains 2,400 cards and the entire box is sold, the tax is computed on \$2,400. The reportable tax for the month is \$6.00 ($\$2,400 \times .0025$).

Form 11-C is an **annual** return which applies to persons receiving taxable wagers, whether they receive compensation or are volunteers. Both the tribal government and agents (persons who accept taxable wagers on behalf of the tribe) must file Form 11-C to register and to pay the occupational tax before wagers are accepted and annually thereafter. Each agent selling pull-tabs is required to have their own individual EIN to file the form 11-C. If the wagers are authorized under the law of the state in which it is accepted, the amount of the occupational tax is \$50 per year per person.

Example: A tribe sells pull-tabs and arranges for 10 people to receive wagers from the public on the tribe's behalf. The tribe also employs a secretary and a bookkeeper. The tribe and each of the 10 persons are liable for the occupational tax. They must each file Form 11-C and pay occupational tax. The secretary and bookkeeper are not liable for the tax unless they also accept wagers for the tribe.

If you are selling pull-tabs and need further information, please contact one of the Specialists listed on page 16 or consider attending our Pull Tab Workshop (see page 11).



Pull tab Workshop

The IRS office of Indian Tribal Governments
is planning a one-day workshop
at the IRS office
in Anchorage
on Wednesday
February 18, 2009.

The workshop will cover the following topics:
Pull tab taxes: IRS Forms 730 & 11-C
State of Alaska Gaming Regulations

Please fill in the info below and e-mail it to Diane.M.Nesvick@irs.gov
or fax it to
907-271-6664
IRS – Attn: DN/ITG

Tribal Name: _____

Attendees Name: _____

Phone: _____ Fax: _____

e-mail address: _____

For further information, call Diane Nesvick at 907-271-6917.





April 2009 Training in Anchorage

FOR:	Tribal employees <ul style="list-style-type: none">• new to payroll taxes, or• needing a basic refresher
WHAT:	2½-day Basic Employment Tax Workshop
WHEN:	April 14 th , 15 ^h , & 16 th , 2009
WHERE:	Internal Revenue Service 949 East 36th Avenue Anchorage, AK
COST:	Free; however, you must provide your own lodging and transportation costs.

Items on the agenda will include:

- Defining Employees vs. Independent Contractors
- Computing the correct taxes for payroll
- Completing Form 941 Quarterly Employment Tax Return
- Completing Alaska Quarterly Contribution Reports
- Making federal tax deposits
- Due dates of tax returns
- Completing Forms W-2/W-3 and 1099/1096
- Reconciling Forms 941 and W-2 at year end
- Avoiding penalties
- Meeting rules for an Accountable Plan for Per Diem & Travel Reimbursements
- Pull-tab filing requirements

On the afternoon of day three, we will be available for one-on-one meetings. These meetings are optional, but if you wish to discuss any federal tax matters (i.e. notices, unfiled returns, balances due, liens, penalties, etc.), please make an appointment when you make your seat reservation.

If you are interested in attending, please contact us via e-mail or fax:

Judy.M.Pearson@irs.gov

Fax # (907) 271-6664

Space is limited so reserve your seat as soon as possible.



Federal Tax Calendar for First Quarter 2009

January 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 Stop Advance Earned Income Credit for any employee not submitting a new Form W-5.	2	3
4	5 * Make a deposit for 12/27-12/30	6	7 * Make a deposit for 12/31-1/2	8	9 * Make a deposit for 1/3-1/6	10
11	12 Employees report December tip income to employers if \$20 or more	13	14 * Make a deposit for 1/7-1/9	15 ** Make a deposit for December if under the monthly deposit rule	16 * Make a deposit for 1/10-1/13	17
18	19	20	21	22	23 * Make a deposit for 1/14-1/20	24
25	26	27	28 * Make a deposit for 1/21-1/23	29	30 * Make a deposit for 1/24-1/27	31

February 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 <i>Issue W-2s, W-2Gs, and 1099s to recipients</i> <i>File Form 730 for wages received during December</i> <i>File Form 941 for the 4th quarter of 2008</i>	3	4 * Make a deposit for 1/28-1/30	5	6 * Make a deposit for 1/31-2/3	7
8	9	10 Employees report January tip income to employers if \$20 or more	11 * Make a deposit for 2/4-2/6	12	13 * Make a deposit for 2/7-2/10	14
15	16	17 ** Make a deposit for January if under the monthly deposit rule	18	19 * Make a deposit for 2/11-2/13	20 * Make a deposit for 2/14-2/17	21
22	23	24	25 * Make a deposit for 2/18-2/20	26	27 * Make a deposit for 2/21-2/24	28

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

** = Make a Monthly Deposit if you qualify under that rule.

13 NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.



March 2009

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 File W-2s with SSA and 1099s with IRS File Form 730 for wagers received during January	3	4 * Make a deposit for 2/25-2/27	5	6 * Make a deposit for 2/28-3/3	7
8	9	10 Employees report February tip income to employers if \$20 or more	11 * Make a deposit for 3/4-3/6	12	13 * Make a deposit for 3/7-3/10	14
15	16 ** Make a deposit for February if under the monthly deposit rule	17	18 * Make a deposit for 3/11-3/13	19	20 * Make a deposit for 3/14-3/17	21
22	23	24	25 * Make a deposit for 3/18-3/20	26	27 * Make a deposit for 3/21-3/24	28
29	30	31 File Form 730 for wagers received during February				

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

** = Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.

Return Filing Dates

February 2nd

- > File Form 941 for the 4th quarter of 2008. If all deposits are paid on time and in full, file by February 10th.
- > File Form 944 for 2008 if required in lieu of Form 941. If all deposits are paid on time and in full, file by February 10th.
- > File Form 940 for 2008 if liable for Federal Unemployment Tax (not participating or current with state unemployment tax). If all deposits are paid on time and in full, file by February 10th.
- > File Form 730 and pay the tax on applicable wagers accepted during December 2008.
- > File Form 945 for 2008. If all deposits are paid on time and in full, file by February 10th.
- > File Form 943 for 2008 (agricultural entities). If all deposits are paid on time and in full, file by February 10th.

March 2nd

- > File information returns for all payments reported to recipients on Forms 1099, 1098, 5498, and W-2G, using Form 1096 as a transmittal. If filing these forms electronically, file by March 31st.
- > File Form W-3, along with copy A of Forms W-2 you issued for 2008. File by March 31st if filing electronically.
- > File Form 730 and pay the tax on applicable wagers accepted during January 2009.
- > File Form 8027 if you are a large food and beverage establishment. File by March 31st if filing electronically.

March 31st

- > File Form 730 and pay the tax on applicable wagers accepted during February 2009.

Year-end Reconciliation Worksheet for Forms 941, W-2, and W-3

- Annual amounts from payroll records should match the total amounts reported on all Forms 941 for the year.
- Total amounts reported on all Forms 941 for the year should match the sum of the same data fields shown in the W-3 totals.
- If these amounts do not match, recheck records and identify necessary adjustments.

column a	column b	column c	column d	column e	column f	column g
COMPARISON AREA	941 Line #	Form 941 (all 4 quarters)	W-2, W-3 Box #	W-2s (total of all forms)	Amount on W-3	Difference (col c minus col e)
Compensation	Line 2		Box 1			
Federal Income Tax	Line 3		Box 2			
Social Security Wages	Line 5a Column 1		Box 3			
Social Security Tips	Line 5b Column 1		Box 7			
Social Security Tax	Line 5a + 5b Column 2					
Social Security Tax comparison computation	Line 5a + 5b divided by 2		Box 4			
Medicare Wages	Line 5c Column 1		Box 5			
Medicare Tax	Line 5c Column 2					
Medicare Tax comparison computation	Line 5c divided by 2		Box 6			



Indian Tribal Government (ITG) Specialists for Alaska

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